FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT HOUSTON FILE NO. 120-67

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
HOUSTON, TEXAS	6-12-48	6-11-48	WILLARD BOONE ep

TITLE Mrs. FRIEDA M. AMMERAS;BUTLER-GRIMES COMPANY, INC.;L.H. McINTIRE;ODINE K. McINTIRE;VENANCIO H. JARAMILLO;CHARLES E. OUTTERSIDE;E. NUNEZ;J.M. KILGORE;C.W. AGEE;M.E. AGEE;JOE LERNER;JOE MITCHELL; JOSEPH W. ROBINSON;AMELIA M. ROBINSON;TONY SEIBEL, dba TEXAS CITY LOAN COMPANY;E.W. NORWOOD,JR.;RAY DUGAT; WINONA DUGAT;EULAH McILVAINE;GRACE McILVAINE;LENA McILVAINE;J.C. LONG;F.L. STOKES;NADINE STOKES;N.G. TERRY;J.G. TERRY; Dr. N.D. JARRELL; Mrs. NENETTE JARRELL;JOHN L. STERLING; Mrs. BERNADETTE DOWDY;J. E. GAMMAGE;BOARD OF TRUSTEES, TEXAS CITY INDEPENDENT SCHOOL DISTRICT -vs- UNITED STATES
Civil Action No. 656, United States District Court
Southern District of Texas

CHARACTER OF CASE
FEDERAL TORT CLAIMS ACT

SYNOPSIS OF FACTS:

1-CC-D/R
7-1-48

Civil suit filed 3-26-48 by Plaintiffs in their own behalf and also as trustees for cestui que trust insurer, Springfield Fire & Marine Insurance Company, against the United States in U. S. District Court, Southern District of Texas, for property damages of $58,960.72 under the FTCA. Petition alleges this damage occurred as a result of the explosions of the SS Grandcamp and SS High Flyer at Texas City, Texas 4-16,17-47. Plaintiffs' petition alleges 33 acts of negligence, omissions, or wilful acts on the part of Defendant's agents, officers, employees and servants in manufacturing and causing to be shipped through the Port of Texas City Fertilizer Grade Ammonium Nitrate which is claimed to be the material which exploded. Petition further requests the Court to apply the rule of res ipsa loquitur or in the alternative to find that the Defendant wilfully and knowingly caused to be placed in proximity of Plaintiffs' property dangerous material with explosive characteristics, with knowledge of such characteristics or reason to have such knowledge with exercise of due diligence. Government's answer filed 5-26-48.

-P-

APPROVED AND FORWARDED: SPECIAL AGENT IN CHARGE

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DETAILS:

This investigation is predicated upon a letter from the Honorable BRIAN S. ODEM, United States Attorney for the Southern District of Texas, Houston, Texas, dated January 30, 1948, requesting that an investigation be conducted as to the civil suits filed against the United States Government arising out of the Texas City Disaster which occurred on April 16,17, 1947.

INTRODUCTION

As set forth in the report of Special Agent JAMES A. FINLEY, dated April 24, 1948 at Houston, Texas in case entitled THE TEXAS CITY TERMINAL RAILWAY COMPANY -vs- UNITED STATES, CIVIL DOCKET #CA-535, UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF TEXAS; FEDERAL TORT CLAIMS ACT, at 9:12 A.M. on April 16, 1947, the SS Grandcamp, a vessel of French registry, which was moored at Pier "O" at Texas City, Texas, exploded causing widespread destruction and loss of life. This vessel was being loaded with Fertilizer Grade Ammonium Nitrate (hereinafter referred to as FGAN) and at the time of the explosion approximately 2,300 tons of FGAN had been loaded into Holds Two and Four. It is this material which allegedly exploded at Texas City.

At approximately 8:00 A.M. on April 16, 1947, nineteen longshoremen boarded the SS Grandcamp and opened the hatches at which time no fire was noted. About ten minutes later, smoke was discovered in the No. Four deep hold. Efforts were made by the longshoremen to extinguish the fire with jugs of drinking water without success and the longshoremen called for a fire hose to be lowered into the hold. This was done but before water was applied to the blaze, orders were issued to remove the hose, batten the hatches, and apply steam to the hold in an attempt to smother the blaze and avoid cargo damage. The longshoremen were ordered off the ship and the Texas City Fire Department was summoned for the purpose of extinguishing the fire. The fire steadily increased in intensity and,as mentioned above,the ship exploded at approximately 9:12 A.M. on April 16, 1947.

The SS High Flyer, a vessel of American registry owned by Lykes Brothers Steamship Company, was also moored in the immediate vicinity, and this ship contained a cargo of approximately 960 tons of FGAN in Hold No. 3. Other materials, including sulphur, were also loaded aboard the SS High Flyer. After the explosion of the SS Grandcamp, which blew away the hatch covers of the SS High Flyer, no fire was observed aboard the latter ship for several hours. The SS High Flyer exploded at approximately 1:10 A.M. on April 17, 1947 with little loss of life but great property damage.

Investigation has shown that the FGAN involved at Texas City was manufactured at United States Government facilities of the Nebraska Ordnance Plant, Fremont, Nebraska; Cornhusker Ordnance Plant, Grand Island, Nebraska; and Iowa Ordnance Plant, Burlington, Iowa, all operated by the Emergency Export Corporation, a subsidiary of the Spencer Chemical Company, Kansas City, Missouri, on a cost-plus contract with the United States Government. The FGAN was being manufactured for the Government which sold it to Lion Oil Company, Eldorado, Arkansas, in accordance with the provisions of a replacement contract entered into in July, 1946. Shipment of the material was on Government Bills of Lading from the respective Ordnance Plants to Texas City. A sales contract existed between the Lion Oil Company and the Walsen Consolidated Mercantile Company, New York City, through which the latter company sought to acquire title to the FGAN on behalf of the French Supply Council. Technical examinations of control samples of the FGAN involved in the explosion at Texas City have shown that the material conformed to specifications with very minor deviations.

INITIAL LEGAL PROCEEDINGS

The records of the United States District Court Clerk's Office, Galveston, Texas, reflect that on March 26, 1948, Civil Action No. 656 was filed by Plaintiffs as listed below, through their attorneys, AUSTIN Y. BRYAN, JR. and DAVID BLAND, Houston, Texas, against the United States, alleging property damages of $58,960.72 as a result of the explosions of the SS Grandcamp and SS High Flyer at Texas City, Texas on April 16,17,1947. The petition states that this action is brought under the Federal Tort Claims Act, 28 USCA 921, and following.

The Plaintiffs and their property, and the extent of damage claimed as to each, is set forth below:

Plaintiffs' Names	Address of Damaged Property	Damage Description	Amount of Damage
Mrs. Frieda M. Almeras	Texas City, Texas	Dwelling	$ 1132.71
Butler-Grimes Co.,Inc.	"	Furniture	1875.87
L. H. McIntire & Odile K. McIntire	"	Dwelling	3378.73
Venancio H. Jaramillo	"	Building & contents	1308.50
Charles E. Outterside	"	Dwelling	2012.25
E. Nunez	"	"	1101.38
J. M. Kilgore	"	"	1419.38
C. W. Agee & M. E. Agee	"	Building	3905.86
Joe Lerner	"	Dwelling	1519.59
Joe Mitchell	"	"	4921.18
Joseph W. Robinson & Amelia M. Robinson	"	"	1120.56
Tony Seibel, dba Texas City Loan Company	"	Mercantile Building	1344.96
E. W. Norwood, Jr.	"	Dwelling & Outbuilding	3307.21

Plaintiffs' Names	Address of Damaged Property	Damage Description	Amount of Damage
Ray Dugat & Winona Dugat	Texas City, Texas	Dwelling & Household Goods	$ 1879.89
Eulah McIlvaine, Grace McIlvaine, Lena McIlvaine	"	Building	4324.24
J. C. Long	"	"	3869.94
F. L. Stokes, Nadine Stokes	"	Dwelling	1935.50
N. H. Terry J. G. Terry	"	Clothing Store	10127.54
Dr. N. D. Jarrell Mrs. Nenette Jarrell	"	Household Effects	2065.20
John L. Sterling Mrs. Bernadette Dowdy J. E. Gammage	"	Building	5107.21
Board of Trustees, Texas City Independent School District	"	"	1393.02
		T o t a l	$ 58960.72

No further identification or description of the damaged property is set forth in "Exhibit A" attached to the petition.

The petition, in its introduction, states that each Plaintiff is suing on behalf of himself and also as trustee for the use and benefit of his pledgee and cestui que trust insurer, Springfield Fire and Marine Insurance Company.

1. Summary of Plaintiffs' Petition:

The petition of Plaintiffs is being summarized briefly with reference to the paragraphs in the order given:

Paragraph I. Each Plaintiff was, as of April 16, 1947, the owner, holder, possessor and occupier of all property listed, of whatever class, which was as of the above date located in Galveston County, Texas.

Paragraph II. Plaintiffs charge that a large and multiple number of Defendant's negligent acts and omissions and wrongful acts occurred singly, jointly and in sequence within the Galveston Division of the Southern District of Texas, and Plaintiffs bring this action under the Federal Tort Claims Act, 28 USCA 921 in this district because of the Court's jurisdiction.

Paragraph III. Plaintiffs charge as a proximate result of an explosion on the SS Grandcamp on April 16, 1947 and subsequent fires and explosions, Plaintiffs' property was generally damaged or destroyed to the extent set forth on the schedule.

Paragraph IV. Plaintiffs allege the fire and explosion originated in a cargo of explosive and dangerous materials being loaded on the SS Grandcamp, namely, ammonium nitrate.

Paragraph V. Plaintiffs assert this material on the SS Grandcamp, in warehouses at Texas City and in adjacent boxcars, was a highly dangerous and inherently dangerous explosive manufactured by the Defendant, its agents, servants, representatives, and employees at the Cornhusker Ordnance Plant, Nebraska Ordnance Plant, and Iowa Ordnance Plant. Plaintiffs assert the manufacture, processing, testing, preparing, sacking and shipping of the ammonium nitrate was in the direct, sole and exclusive control of Defendant; and that Defendant was negligent in each and all of the operations but inasmuch as Defendant was in sole direct control, Plaintiffs are unable to allege with particularity those negligent acts and omissions of which the Defendant is guilty. Plaintiffs allege that failure of the Defendant to adopt methods, etc., such as a reasonably prudent man would have adopted proximately caused the Plaintiffs' damages. By reason thereof, Plaintiffs state that the rule of res ipsa loquitur should be applied.

Paragraph VI. Plaintiffs, in the alternative to Paragraph V., charge Defendant with the manufacture, storage, processing assembling, sacking, and shipping of ammonium nitrate and additional elements added thereto, resulting in the ammonium nitrate shipped to Texas City becoming a highly dangerous explosive

and instrumentality and material, the characteristics of which Defendant knew or should have known by exercise of due diligence to be inherently dangerous to people dealing with same. Because of this, Plaintiffs charge Defendant is absolutely liable to Plaintiffs for all their damages. Plaintiffs charge this material was placed by Defendant in proximity of Plaintiffs' property knowingly and wilfully by Defendant, its agents, servants, etc. Plaintiffs contend that the explosions and fire at Texas City were of such magnitude as to amount to a national disaster worthy of judicial notice.

Paragraph VII. Plaintiffs notify Defendant they will not be confined to specific acts of negligence hereinafter alternatively charge, but expect to rely also on the general allegations of fire, explosion, negligence, defectiveness and neglect as well as res ipsa loquitur.

Paragraph VIII. Plaintiffs allege their damages proximately flowed from and were caused by the negligent and wrongful acts and omissions of Defendant as follows:

1. Manufacturing under the direction of the Commanding Officer of the U. S. Army Ordnance Department and his superiors and subordinates, etc., excess military liquid ammonium nitrate into so-called commercial fertilizer by graining such liquid ammonium nitrate and introducing a wax of petroleum, rosin, and paraffin, and an inert material known as kaolin, resulting in a highly combustible, unstable explosive and inherently dangerous material. Plaintiffs charge Defendants with knowledge such material would be handled by persons not informed of the nature of the material.

2. Defendant, its agents, etc., shipped via common carrier this material with knowledge that it would be handled by uninformed persons, and that Defendant knew or should have known by the exercise of due care that ammonium nitrate grained from surplus military supplies was inherently dangerous.

3. Wilfully and knowingly introducing into the proximity of people and property this dangerous commodity without having tested and determined the inherently dangerous characteristics such as a reasonably prudent operator would have done.

4. Knowingly and wilfully selecting Texas City, Texas as an export point, knowing of the presence of concentrated industrial facilities.

5. Failure to give notice as to the nature of the dangerous material to persons handling same, as well as special instructions as to the most approved method of controlling fires and explosions.

6. Failure to post special guards to supervise loading and unloading.

7. Failure to post guards and other persons who understood fire control methods as to ammonium nitrate.

8. Failure to promulgate regulations isolating points of export from heavily developed commercial areas.

9. Failure to post watchmen and guards to control loading and unloading of ammonium nitrate from boxcars to warehouses to ships on April 16,17, 1947.

10. Failure to have a tug available to move ships in event of fire or explosion.

11. Failure to take steps as a reasonably prudent shipper to determine that docks and ships were equipped with necessary knowledge and firefighting equipment to meet all possibilities.

12. Creating a common nuisance by shipping an inherently dangerous material into Texas City.

13. Knowingly and wilfully making shipments of ammonium nitrate to Texas City without first determining that adequate knowledge and equipment for fire control, etc., were available.

14. Failing to exercise the degree of care commensurate with the risk and danger naturally expected to arise in shipping ammonium nitrate to Texas City.

15. Wilfully mislabeling as "Fertilizer".

16. Failure to issue specific instructions in event of fire or explosion within the area or the material itself.

17. Bagging FGAN at temperatures not less than 2000° F. in paper bags laminated with asphalt, itself a highly combustible material.

18. Packaging ammonium nitrate in paper bags with asphalt laminated layers which in common knowledge permitted increased combustion and explosibility.

19. Failing through research division of the U. S. Government to determine by reasonable diligence the inherently dangerous characteristics of ammonium nitrate grained into fertilizer.

20. Failing to act as a reasonably prudent operator would have done through the Interstate Commerce Commission in being advised of advances of science respecting proper methods of packaging and labeling ammonium nitrate.

21. Failure to give warning of the explosive nature of ammonium nitrate to persons handling same or in vicinity thereof, including Plaintiffs.

22. Ordering, directing, permitting, and acquiescing in the large concentration of approximately 2,300 tons of ammonium nitrate at Texas City.

23. Knowingly, purposely, and wilfully through the Ordnance Department shipping via common carrier the ammonium nitrate at Texas City, knowing such material was explosive and dangerous, and yet so delivering such material under false and deceptive markings and falsely giving an invoice and shipping order without informing as to the true character of the material prior to delivery to the common carriers in violation of Title 18, Sec. 385, USCA.

24. Knowingly tendering through the Ordnance Department under Government Bill of Lading for shipment by rail a dangerous material described as fertilizer in violation of Section 417 of Interstate Commerce Commission regulations.

25. Knowingly violating Sec. 146.05 (a) (b) (c) of U. S. Coast Guard regulations on "Explosives and Other Dangerous Articles on Board Vessels" by tendering such ammonium nitrate for shipment with knowledge it was to be exported on ships at Texas City without ascertaining the ships had been notified of the characteristics of the shipment.

26. Knowingly continuing a dangerous and obsolete manufacturing process which had been abandoned by foreign manufacturers.

27. Wilfully continuing to use asphalt laminated paper bags to package this dangerous material after foreign manufacturers had abandoned this method in favor of metal or wooden barrels.

28. Permitting loading of SS High Flyer with ammonium nitrate, knowing this vessel could not be moved under its own power, and by so loading and causing the ammonium nitrate to be confined in the hold of said ship, tending to speed up and enlarge the explosive and inherently dangerous character of said material.

29. Permitting loading of SS High Flyer with ammonium nitrate, knowing the harbor area at Texas City to be congested with industrial facilities with careless and reckless disregard for safety and protection of life and property.

30. Failure to give proper notice and warning of the inherently dangerous character of the material despite Defendant's knowledge from war experience. Charges that during 1942 or 1943 Defendant sought and received a memorandum setting forth characteristics of such material and how to control and use same.

31. Charges that on April 16,17, 1947, Defendant controlled, regulated, supervised, and governed the harbor area and had the nondelegable duty to establish and supervise regulations for safe and proper transportation, unloading, storage, and stowing aboard ship of inherently dangerous material and Defendant failed to discharge such duty.

32. Failure to enforce and apply the provisions of Sec. 1[illegible], Title 46, USCA.

33. Failure to comply with Sec. 39,40 of Title 46, USCA, which Plaintiffs charge constitutes negligence as a matter of law.

Plaintiffs charge that if any of the above acts and omissions be less than negligence, they then charge each act to be a wrongful act or omission, and that each was committed within the scope of employment of each employee, servant, agent or representative of Defendant.

Paragraph IX. Plaintiffs allege injuries and damages to property as set forth in the schedule are the direct and proximate result of negligent acts and omissions of Defendant.

Paragraph X. Plaintiffs reserve rights to file claims against joint and/or several tort-feasors subject only to admiralty jurisdiction of the court.

2. Summary of Government's Answer:

On May 26, 1948, the Government's answer was filed by BRIAN S. ODEM, United States Attorney for the Southern District of Texas, and GEORGE O'BRIEN JOHN, Special Assistant to the Attorney General, which is summarized briefly as follows:

First defense: Plea for more definite statement.

Second defense: Motion to dismiss for failure to state a claim.

Third defense: Motion to dismiss on grounds of failure to show that the laws of the place where the alleged acts of negligence and omissions occurred would permit recovery, and failure to show where such acts occurred and identity of persons committing them.

Fourth defense: Motion to dismiss on grounds action brought in wrong district because Plaintiffs are not residents of this district and acts complained of did not occur in this district.

Fifth defense: Plaintiffs are not real parties in interest.

Sixth defense: Answer on Merits:

I. Defendant is without knowledge to form a belief as to truth of Paragraph I of petition and therefore denies all allegations. Specifically denies Plaintiffs were damaged in the amounts claimed.

II. General denial of all allegations of Paragraph II. Specific denial of negligence, wrongful acts or negligence.

III. General denial of allegations in Paragraph III. Specific denial Plaintiffs damaged in amounts claimed.

IV. General denial of allegations in Paragraph IV. Specific denial material loaded on SS Grandcamp was ammonium nitrate and that it was explosive and dangerous material.

V. General denial of all allegations of Paragraph V of petition. Specific denial material loaded on SS Grandcamp was ammonium nitrate, that such material is inherently dangerous, and that rule of res ipsa loquitur is applicable.

VI. General denial of all allegations in Paragraph VI of petition.

VII. No answer required as to Paragraph VII; however, Defendant gives notice it will object to introduction of evidence as to any act or omission not specially pleaded.

VIII. General denial of all allegations of Paragraph VIII of petition.

IX. General denial as to Paragraph IX. Specific denial Plaintiffs were damaged in amount claimed.

X. No answer required as to Paragraph X of petition; however, Defendant waives no right to require Plaintiffs to assert each claim to recovery. Specifically denies Defendant is a tort-feasor subject to any jurisdiction, admiralty, or otherwise of this Court.

Seventh defense: Denial that acts of negligence or omissions on the part of Defendant's officers, agents, employees or servants occurred, but that if same did occur, such acts were performed while exercising due care; or in the alternative said claim is exempt from operation of the Federal Tort Claims Act because such acts were performed in exercise of discretionary functions or duties.

Eighth defense: Denial that any act of negligence or omission occurred, but if any such act did occur and constituted negligence, it was not the proximate cause of the alleged damage.

Ninth defense: Alleged damages were the result of unavoidable accident.

Tenth defense: Denial that any acts of negligence or omissions on the part of Defendant's officers, agents, etc., occurred but that if such acts did occur, they were not the proximate cause of the alleged injury. Alleges intervening acts of negligence on the part of others which were the direct, sole, exclusive and proximate cause of the fire and explosion aboard the SS Grandcamp and resulting damage, as follows:

A. Republic of France or the Compagnie Generale Transatlantique through their agents, employees, officers and servants:

1. Use of improper dunnage.
2. Failure to clean and inspect cargo holds
3. Permitting loading without inspection.
4. Failure to require proper rebagging of broken sacks.
5. Failure to properly inspect loading operations.
6. Failure to enforce non-smoking regulations.
7. Failure to employ proper fire-fighting methods in Hold No. 4 of the SS Grandcamp.
8. Failure to maintain guards aboard said ship.
9. Failure to post "no smoking" signs in English.

B. A. D. Suderman Stevedoring Company, a partnership, employed by Agents of the Compagnie Generale Transatlantique:

1. Commencing loading operations before receiving a report from the Underwriter's inspector.
2. Permitting promiscuous smoking on the deck and in the hold of the SS Grandcamp by longshoremen.
3. Failure to enforce smoking regulations.
4. Permitting longshoremen to load broken bags of FGAN.
5. Failure to have broken bags of FGAN rebagged.
6. Permitting improper disposal of torn FGAN sacks.
7. Failure to employ proper fire-fighting methods in Hold No. 4 of the SS Grandcamp.

8. Directing use of steam instead of water to extinguish fire in Hold No. 4 of the SS Grandcamp.
9. Ordering No. 4 Hatch battened down, resulting in inordinate increase of temperature.

C. Members of International Longshoremen's Union, Local 636:

1. Promiscuous smoking on deck and in holds of said vessel.
2. Smoking aboard said vessel in violation of regulations including those promulgated by their national organization.
3. Improper disposal of paper bags and loose FGAN.
4. Failure to rebag broken sacks of FGAN.
5. Improper loading of broken sacks of FGAN.
6. Failure to apply a sufficient quantity of water in Hold No. 4.

D. Lykes Brothers Steamship Company, through its agents, officers, employees and servants with respect to the SS High Flyer:

1. Failure to remove the SS High Flyer from the danger zone.
2. Failure to maintain machinery of the SS High Flyer in proper working condition.
3. Failure to attempt repairs on the SS High Flyer upon discovery of fire aboard the SS Grandcamp.
4. Failure to employ tugs to move the SS High Flyer upon discovery of fire on the SS Grandcamp.
5. Failure to employ tugs to move the SS High Flyer after the explosion.
6. Permitting the SS High Flyer to be abandoned.
7. Failure to maintain personnel to man fire equipment.
8. Permitting fire to start after SS High Flyer abandoned.
9. Failure to reboard the SS High Flyer to extinguish fire.
10. Failure to move SS High Flyer after discovery of fire.
11. Failure to take precautions to prevent explosion of SS High Flyer
12. Failure to exercise the administrative duty of Port Captain which by custom had been exercised by Lykes Brothers Steamship Company as to the general care and protection of the harbor area.

E. Texas City Terminal Railway Company with respect to fire and explosion aboard both ships.

1. Failure to enforce municipal ordinances.
2. Failure to enforce smoking regulations in warehouse and Pier "O".
3. Failure to maintain fire-fighting equipment and personnel.
4. Failure to maintain adequate guard system in dock area.
5. Failure to have fixed responsibility for administration of the port area.
6. Failure to effect the moving of the SS Grandcamp after discovery of the fire.
7. Failure to effect moving of the SS High Flyer.
8. Failure to warn individuals of the material and cargo aboard the SS High Flyer after the explosion on the SS Grandcamp.

F. Texas City, Texas - A Municipal Corporation, through its agents, officers, employees and servants with respect to both ships.

1. Failure to enforce governmental functions and authority over port and harbor facilities.
2. Failure to maintain a Captain of the Port.

The answer alleges that the above acts of negligence constituted new and independent causes which could not be reasonably foreseen by the Defendant and that even though the Defendant was guilty of acts of negligence, which is denied, such acts were not the direct or proximate cause of Plaintiff's damage but were remote acts totally unconnected with the acts of negligence of the parties alleged above.

Eleventh defense: Specific denials that: material loaded in hold of SS Grandcamp was ammonium nitrate; that it was inherently dangerous; that Defendant had any species of control over said material at time of explosions; and that the material was surplus military supplies.

P E N D I N G I N A C T I V E

LEADS

THE HOUSTON DIVISION

AT GALVESTON, TEXAS

Will follow and report action of the United States District Court in this matter. It will be noted that at the present time, it is believed this case will not be adjudicated prior to January, 1949. In the interim, this case is being placed in a pending inactive status.

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT HOUSTON, TEXAS

FILE NO. 120-67

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
HOUSTON, TEXAS	4/5/51	4/3/51	ROBERT L. WHITMARSH am

TITLE: MRS. FRIEDA M. ALMERAS et al -vs- United States Civil Action No. 656, United States District Court, Southern District of Texas

CHARACTER OF CASE: FEDERAL TORT CLAIMS ACT

SYNOPSIS OF FACTS:

On 7/12/48 this case was consolidated with other cases arising out of Texas City Disaster, to be tried on sole issue of Gov't liability. Gov't found liable on 5/4/50. This decision has been appealed. Plaintiffs' attorneys to date have furnished no information to substantiate plaintiffs' losses. U.S. Attorney suggests no further investigation be made in this civil action at this time.

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DETAILS:

By order of Federal Judge T. M. KENNERLY, United States District Court, Southern District of Texas, on July 21, 1948, this case was consolidated with other tort cases arising out of the Texas City Disaster for trial on the sole issue of Government liability. Following trial to determine the matter of liability, on May 4, 1950, Judge KENNERLY entered his formal judgment in which he found the Government liable. Notice of Appeal was filed immediately thereafter by Government counsel, and as of the date of this report, the appeal is being perfected to be argued before the United States Circuit Court of Appeals, Fifth Circuit, New Orleans, Louisiana.

On July 12, 1950, Special Agents JAMES A. FINLEY and WILLARD BOONE interviewed Attorney DAVID BLAND relative to the extent of cooperation which might be expected from his firm in connection with the investigation being conducted into Federal Tort Claims Act cases filed as a result of the Texas City Explosion. Mr. BLAND advised that the files of his

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office and the files of the insurance companies represented by his firm contained documentary evidence which he felt to be adequate to establish the validity and extent of damage of each claim. He stated however, that his firm took the position that unless the Government was willing to enter into certain agreements relating to the settlement of these cases by compromise or stipulation within six months after his firm extended its cooperation, his firm did not propose to make any information available to the Government except through the normal processes of the Court. This information was furnished to United States Attorney BRIAN S. ODEM on July 13, 1950, and the latter suggested that no investigation be conducted at that time in cases in which the firm of BRYAN & BLAND was indicated to be attorney of record.

On December 5, 1950, this matter was again discussed with United States Attorney BRIAN S. ODEM, and by letter dated December 7, 1950, he suggested that the firm of BRYAN & BLAND be contacted to determine if the firm's attitude toward this investigation had been modified in any respect, and in the event the firm's position remained unchanged to place all cases affected in a dormant status.

On December 29, 1950, Special Agent JAMES A. FINLEY interviewed AUSTIN Y. BRYAN, JR., who advised that the attitude of his firm remained unchanged.

- P E N D I N G -

LEADS

THE HOUSTON DIVISION

At Houston, Texas

Will assemble and report further information bearing on these cases, when and if attorneys in this case, AUSTIN Y. BRYAN, JR. and DAVID BLAND, make available to this office information from their files.

At Galveston, Texas

Will follow and report final adjudication of this case.

REFERENCE

Report of Special Agent Willard Boone, dated 6/12/48, at Houston, Texas